

Fund Financial Statements

City of Great Falls, Montana
Balance Sheet
Governmental Funds
Year Ended June 30, 2005

	<u>General</u>	<u>Street</u>	<u>Community Development Block Grant</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 648,521	\$ 913,552	\$ 445,442	\$ 5,204,285	\$ 7,211,800
Restricted cash and investments	10,017	-	-	2,842,953	2,852,970
Receivables					
Taxes	1,014,077	-	-	450,183	1,464,260
Special assessments	-	141,472	-	914,650	1,056,122
Accounts	31,465	17,858	-	101,615	150,938
Accrued interest	8,369	2,767	-	97,571	108,707
Loans	-	-	2,547,437	439,769	2,987,206
Due from other city funds	2,783,796	-	127,515	24,183	2,935,494
Due from other governments	20,260	-	-	867,233	887,493
Other current assets	-	-	-	100,349	100,349
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 4,516,505</u>	<u>\$ 1,075,649</u>	<u>\$ 3,120,394</u>	<u>\$ 11,042,791</u>	<u>\$ 19,755,339</u>
LIABILITIES					
Accounts payable	\$ 47,242	\$ 144,082	\$ 29,870	\$ 826,775	\$ 1,047,969
Due to other city funds	24,183	-	-	475,996	500,179
Other liabilities	125,674	-	-	260	125,934
Deferred revenue	546,420	108,827	2,547,277	1,917,231	5,119,755
Interfund loans payable	60,995	-	-	-	60,995
Advances from other funds	431,634	-	-	-	431,634
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>1,236,148</u>	<u>252,909</u>	<u>2,577,147</u>	<u>3,220,262</u>	<u>7,286,466</u>
FUND BALANCES					
Reserved for:					
Debt service	-	-	-	3,399,432	3,399,432
Capital projects	-	-	-	125,762	125,762
Unreserved reported in:					
General fund					
Designated	311,049	-	-	-	311,049
Undesignated	2,969,308	-	-	-	2,969,308
Special revenue funds					
Designated	-	-	-	659,287	659,287
Undesignated	-	822,740	543,247	2,646,612	4,012,599
Capital project funds					
Undesignated	-	-	-	991,436	991,436
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>3,280,357</u>	<u>822,740</u>	<u>543,247</u>	<u>7,822,529</u>	<u>12,468,873</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 4,516,505</u>	<u>\$ 1,075,649</u>	<u>\$ 3,120,394</u>	<u>\$ 11,042,791</u>	<u>\$ 19,755,339</u>

The accompanying notes are an integral part of these financial statements.

CITY OF GREAT FALLS, MONTANA
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET ASSETS - GOVERNMENTAL FUNDS
Year Ended June 30, 2005

Amounts reported for governmental activities in the statement of net assets (page 19) are different because:

Fund balances - total governmental funds (page 24)		\$ 12,468,873
<p>Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 73,794,458	
Less: accumulated depreciation	<u>(27,433,239)</u>	
Capital assets - net		46,361,219
<p>Bond issuance costs are amortized over the life of the bonds in the statement of net assets.</p>		
		48,365
<p>Internal service funds are used by management to charge the cost of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.</p>		
		6,335,589
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.</p>		
		5,119,755
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		
Compensated absences	(2,243,787)	
Loans and contracts payable	(218,537)	
General obligation bonds payable	(2,420,000)	
Tax increment bonds payable	(5,153,977)	
Special assessment bonds payable	<u>(1,305,000)</u>	
Total long-term liabilities		<u>(11,341,301)</u>
Net assets of governmental activities (page 21)		<u>\$ 58,992,500</u>

The accompanying notes are an integral part of these financial statements.

City of Great Falls, Montana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2005

	<u>General</u>	<u>Street District</u>	<u>Community Development Block Grant</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
REVENUES					
Taxes	\$ 9,001,383	\$ -	\$ -	\$ 2,536,571	\$ 11,537,954
Licenses and permits	558,157	5,231	-	1,026,300	1,589,688
Intergovernmental	5,424,758	1,374,900	1,151,725	4,369,904	12,321,287
Charges for services	455,683	174,834	298,774	1,351,067	2,280,358
Fines and forfeitures	1,244,698	-	-	57,204	1,301,902
Internal services	609,638	64,921	-	213,748	888,307
Special assessments	-	2,071,062	-	2,046,049	4,117,111
Investment income	48,104	12,428	-	183,640	244,172
Other	42,619	32,477	192	1,062,344	1,137,632
	<u>17,385,040</u>	<u>3,735,853</u>	<u>1,450,691</u>	<u>12,846,827</u>	<u>35,418,411</u>
EXPENDITURES					
Current					
General government	2,150,664	-	-	5,235,048	7,385,712
Public safety	11,727,384	-	-	651,578	12,378,962
Public works	-	3,217,826	-	7,713	3,225,539
Culture and recreation	1,329,726	-	-	2,300,863	3,630,589
Housing and development	-	-	896,964	2,081,487	2,978,451
Debt service					
Principal	-	-	-	1,250,073	1,250,073
Interest	15,041	-	-	419,597	434,638
Capital outlay	2,879	1,081,306	321,904	4,659,636	6,065,725
	<u>15,225,694</u>	<u>4,299,132</u>	<u>1,218,868</u>	<u>16,605,995</u>	<u>37,349,689</u>
Revenues over (under) expenditures	<u>2,159,346</u>	<u>(563,279)</u>	<u>231,823</u>	<u>(3,759,168)</u>	<u>(1,931,278)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	466,387	14,946	-	2,790,304	3,271,637
Transfers out	(3,302,105)	(18,789)	(1,955)	(2,109,374)	(5,432,223)
Issuance of debt	-	-	-	833,354	833,354
Sale of capital assets	11,884	-	-	-	11,884
	<u>(2,823,834)</u>	<u>(3,843)</u>	<u>(1,955)</u>	<u>1,514,284</u>	<u>(1,315,348)</u>
Net change in fund balances	(664,488)	(567,122)	229,868	(2,244,884)	(3,246,626)
Fund balance -- beginning	3,944,845	1,389,862	313,379	10,472,815	16,120,901
Prior period adjustment	-	-	-	(405,402)	(405,402)
Fund Balance -- ending	<u>\$ 3,280,357</u>	<u>\$ 822,740</u>	<u>\$ 543,247</u>	<u>\$ 7,822,529</u>	<u>\$ 12,468,873</u>

The accompanying notes are an integral part of these financial statements.

City of Great Falls, Montana
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities - Governmental Funds
Year Ended June 30, 2005

Amounts reported for governmental activities in the statement of activities pages (pages 20-21) are different because:

Net change in fund balances - total governmental funds (page 26)		\$ (3,246,626)
<p>Governmental funds report capital outlays as expenditures. In the statement of activities; however, the cost of these assets is depreciated over the asset's useful life.</p>		
Expenditures for capital assets	\$ 6,065,725	
Less: current year's depreciation	<u>(1,790,683)</u>	
Total capital asset related expenditures		4,275,042
<p>The net effect of various miscellaneous transactions involving capital assets (e.g. sales and trade-ins) is to decrease net assets</p>		
		(190,032)
<p>Internal service funds are used by management to charge the cost of certain activities to individual funds. The net revenue (expense) of certain activities of internal service funds is reported with governmental activities</p>		
		(193,706)
<p>Some revenues reported in the statement of activities do not require the use of current financial resources; therefore, are not reported as revenues in governmental funds.</p>		
		264,953
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction; however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Issuance of debt		
Loans and contracts	(203,354)	
General obligation bonds	(630,000)	
Principal repayments		
Loans and contracts	15,073	
General obligation bonds	80,000	
Tax Increment bonds	950,000	
Special assessment debt	205,000	
Compensated absences	(115,058)	
Amortization of bond discounts	<u>(29,622)</u>	
Total debt related transactions		<u>272,039</u>
Change in net assets of governmental activities (pages 20-21)		<u>\$ 1,181,670</u>

The accompanying notes are an integral part of these financial statements.

City of Great Falls, Montana
Statement of Net Assets
Proprietary Funds
June 30, 2005

Business Type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Storm Drain</u>	<u>Sanitation</u>
ASSETS				
Current assets				
Cash and cash investments	\$ 4,347,545	\$ 2,334,936	\$ 3,132,454	\$ 346,071
Receivables				
Accounts	615,569	506,145	142,857	216,447
Accrued interest	42,985	50,510	22,470	2,618
Loans receivable	-	-	-	-
Due from other city funds	-	-	-	-
Due from other governments	-	-	-	-
Interfund loans receivable	-	-	-	-
Inventories	282,098	-	-	-
Prepaid Items	73,939	263,807	136,680	-
Total current assets	<u>5,362,136</u>	<u>3,155,398</u>	<u>3,434,461</u>	<u>565,136</u>
Noncurrent assets				
Restricted cash and investments	3,712,980	7,088,121	1,028,595	194,307
Advance to other funds	-	-	-	-
Investment in joint venture	-	-	-	-
Non-depreciable capital assets	6,628,390	5,588,583	6,720,540	342,071
Depreciable capital assets, net	30,801,245	35,664,680	8,119,876	1,612,944
Total noncurrent assets	<u>41,142,615</u>	<u>48,341,384</u>	<u>15,869,011</u>	<u>2,149,322</u>
Total assets	<u>46,504,751</u>	<u>51,496,782</u>	<u>19,303,472</u>	<u>2,714,458</u>
LIABILITIES				
Current liabilities				
Account Payable	121,805	217,783	17,733	162,206
Due to other City funds	-	-	-	-
Interfund loan payable	-	-	-	-
Capital lease obligation	-	-	-	-
Revenue bonds payable	663,638	1,131,754	327,303	-
Other liabilities	185,923	-	-	-
Total current liabilities	<u>971,366</u>	<u>1,349,537</u>	<u>345,036</u>	<u>162,206</u>
Noncurrent liabilities				
Advances from other funds	-	-	-	-
Capital lease obligations	-	-	-	-
Notes payable	-	-	-	-
Compensated absences	238,645	36,718	-	100,006
Revenue bonds payable	7,660,959	18,840,245	5,510,849	-
Total noncurrent liabilities	<u>7,899,604</u>	<u>18,876,963</u>	<u>5,510,849</u>	<u>100,006</u>
Total liabilities	<u>8,870,970</u>	<u>20,226,500</u>	<u>5,855,885</u>	<u>262,212</u>
NET ASSETS				
Invested in capital assets, net of related debt	29,105,038	24,027,702	9,002,264	1,955,015
Restricted for:				
Bonded construction	-	2,746,438	-	-
Revenue bond reserves	2,917,748	3,573,656	878,595	-
Equipment replacement reserves	795,232	768,028	-	194,307
Repair and replacement	-	-	150,000	-
Unrestricted	4,815,763	154,458	3,416,728	302,924
Total net assets	<u>\$ 37,633,781</u>	<u>\$ 31,270,282</u>	<u>\$ 13,447,587</u>	<u>\$ 2,452,246</u>

The accompanying notes are an integral part of these financial statements.

Continued on next page

City of Great Falls, Montana
Statement of Net Assets (Concluded)
Proprietary Funds
June 30, 2005

	Business Type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Golf Course	Other Enterprise Funds	Totals	
ASSETS				
Current assets				
Cash and cash investments	\$ -	\$ 732,870	\$ 10,893,876	\$ 802,176
Receivables				
Accounts	2,409	276,070	1,759,497	56,081
Accrued interest	-	3,410	121,993	12,833
Loans receivable	-	2,490	2,490	-
Due from other city funds	-	5,000	5,000	671,525
Due from other governments	-	75,000	75,000	-
Interfund loans receivable	-	-	-	127,217
Inventories	-	-	282,098	117,095
Prepaid Items	11,882	-	486,308	-
Total current assets	<u>14,291</u>	<u>1,094,840</u>	<u>13,626,262</u>	<u>1,786,927</u>
Noncurrent assets				
Restricted cash and investments	237,717	5,251	12,266,971	935,740
Advance to other funds	-	-	-	2,094,604
Investment in joint venture	-	515,947	515,947	-
Non-depreciable capital assets	1,362,597	3,920,287	24,562,468	-
Depreciable capital assets, net	3,408,720	6,907,452	86,514,917	3,591,884
Total noncurrent assets	<u>5,009,034</u>	<u>11,348,937</u>	<u>123,860,303</u>	<u>6,622,228</u>
Total assets	<u>5,023,325</u>	<u>12,443,777</u>	<u>137,486,565</u>	<u>8,409,155</u>
LIABILITIES				
Current liabilities				
Account Payable	21,108	503,929	1,044,564	554,817
Due to other City funds	911,296	1,098,713	2,010,009	1,101,831
Interfund loan payable	-	66,222	66,222	-
Capital lease obligation	-	92,866	92,866	-
Revenue bonds payable	137,301	-	2,259,996	-
Other liabilities	-	22,299	208,222	-
Total current liabilities	<u>1,069,705</u>	<u>1,784,029</u>	<u>5,681,879</u>	<u>1,656,648</u>
Noncurrent liabilities				
Advances from other funds	-	1,662,970	1,662,970	-
Capital lease obligations	-	1,246,391	1,246,391	-
Notes payable	-	2,313,366	2,313,366	-
Compensated absences	29,616	97,249	502,234	416,918
Revenue bonds payable	1,831,999	-	33,844,052	-
Total noncurrent liabilities	<u>1,861,615</u>	<u>5,319,976</u>	<u>39,569,013</u>	<u>416,918</u>
Total liabilities	<u>2,931,320</u>	<u>7,104,005</u>	<u>45,250,892</u>	<u>2,073,566</u>
NET ASSETS				
Invested in capital assets, net of related debt	2,802,017	5,445,924	72,337,960	3,591,884
Restricted for:				
Bonded construction	-	-	2,746,438	-
Revenue bond reserves	237,717	-	7,607,716	-
Equipment replacement reserves	-	-	1,757,567	3,026,281
Repair and replacement	-	5,251	155,251	-
Unrestricted	<u>(947,729)</u>	<u>(111,403)</u>	<u>7,630,741</u>	<u>(282,576)</u>
Total net assets	<u>\$ 2,092,005</u>	<u>\$ 5,339,772</u>	<u>\$ 92,235,673</u>	<u>\$ 6,335,589</u>

The accompanying notes are an integral part of these financial statements.

City of Great Falls, Montana
Statement of Revenues, Expenses and Changes in
Fund Net Assets
Proprietary Funds
Year Ended June 30, 2005

Business-Type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Storm Drain</u>	<u>Sanitation</u>
OPERATING REVENUES				
Charges for services	\$ 6,789,945	\$ 5,661,367	\$ 1,764,261	\$ 2,574,173
OPERATING EXPENSES				
Personal services	1,586,949	570,725	9,911	968,344
Supplies and materials	422,377	53,478	7,680	117,594
Purchased services	555,964	2,127,854	27,984	767,694
Internal services	1,058,511	647,967	222,534	574,162
Other	-	-	-	-
Depreciation	1,625,040	1,477,084	317,776	345,611
Total operating expenses	5,248,841	4,877,108	585,885	2,773,405
Operating income (loss)	1,541,104	784,259	1,178,376	(199,232)
NONOPERATING REVENUES (EXPENSES)				
Investment income	194,618	195,560	99,999	11,243
Interest expense	(57,727)	(568,540)	(25,248)	-
Proceeds of capital asset dispositions	(55,980)	(38,405)	(11,379)	(90)
Other	16,423	2,224	98,301	32,007
Total nonoperating revenues (expenses)	97,334	(409,161)	161,673	43,160
Income (loss) before transfers	1,638,438	375,098	1,340,049	(156,072)
Transfers in	-	-	-	2,267
Transfers out	(22,960)	(9,017)	(144)	(13,490)
Changes in net assets	1,615,478	366,081	1,339,905	(167,295)
Net assets, beginning	36,018,303	30,904,201	12,107,682	2,619,541
Net assets, ending	<u>\$ 37,633,781</u>	<u>\$ 31,270,282</u>	<u>\$ 13,447,587</u>	<u>\$ 2,452,246</u>

The accompanying notes are an integral part of these financial statements.

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City of Great Falls, Montana
Statement of Revenues, Expenses and Changes in
Fund Net Assets (Concluded)
Proprietary Funds
Year Ended June 30, 2005

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental
	<u>Golf Courses</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>Activities Internal Service Funds</u>
OPERATING REVENUES				
Charges for services	\$ 1,049,533	\$ 3,592,560	\$ 21,431,839	\$ 11,167,218
OPERATING EXPENSES				
Personal services	598,332	1,371,229	5,105,490	3,618,347
Supplies and materials	118,313	114,880	834,322	617,718
Purchased services	102,818	2,506,215	6,088,529	6,306,672
Internal services	158,005	509,068	3,170,247	813,529
Other	(445)	700	255	1,946
Depreciation	313,777	386,196	4,465,484	588,091
Total operating expenses	<u>1,290,800</u>	<u>4,888,288</u>	<u>19,664,327</u>	<u>11,946,303</u>
Operating income (loss)	<u>(241,267)</u>	<u>(1,295,728)</u>	<u>1,767,512</u>	<u>(779,085)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	(16,327)	(3,632)	481,461	92,373
Interest expense	(108,461)	(143,316)	(903,292)	-
Proceeds of capital asset dispositions	(28,286)	2,283	(131,857)	(10,403)
Other	-	12,830	161,785	19,238
Total nonoperating revenues (expenses)	<u>(153,074)</u>	<u>(131,835)</u>	<u>(391,903)</u>	<u>101,208</u>
Income (loss) before transfers	(394,341)	(1,427,563)	1,375,609	(677,877)
Transfers in	322,889	1,482,005	1,807,161	680,370
Transfers out	<u>(9,786)</u>	<u>(75,349)</u>	<u>(130,746)</u>	<u>(196,199)</u>
Changes in net assets	(81,238)	(20,907)	3,052,024	(193,706)
Net assets, beginning	<u>2,173,243</u>	<u>5,360,679</u>	<u>89,183,649</u>	<u>6,529,295</u>
Net assets, ending	<u>\$ 2,092,005</u>	<u>\$ 5,339,772</u>	<u>\$ 92,235,673</u>	<u>\$ 6,335,589</u>

The accompanying notes are an integral part of these financial statements.

City of Great Falls, Montana
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2005

Business-Type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Storm Drain</u>	<u>Sanitation</u>
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 6,752,577	\$ 5,627,003	\$ 1,755,145	\$ 2,561,996
Receipts from interfund services provided	-	-	-	-
Receipts from others	16,423	2,224	98,301	32,007
Receipts from other governments	-	49,178	134,954	-
Payments to suppliers	(1,330,113)	(2,146,098)	(660,976)	(808,179)
Payments to employees	(1,567,184)	(567,094)	(9,911)	(956,983)
Payments for interfund services used	(1,058,511)	(647,967)	(222,534)	(574,162)
Payments to others	(2,547)	-	-	-
Net cash provided (used) by operating activities	<u>2,810,645</u>	<u>2,317,246</u>	<u>1,094,979</u>	<u>254,679</u>
CASH FLOWS FROM NONCAPITAL FINANCIAL ACTIVITIES				
Transfers in	-	-	-	2,267
Transfers out	(22,960)	(9,017)	(144)	(13,490)
Net cash provided (used) by noncapital financing activities	<u>(22,960)</u>	<u>(9,017)</u>	<u>(144)</u>	<u>(11,223)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES				
Proceeds of general capital asset dispositions	450	-	-	-
Principal payments received - advances	-	-	-	-
New borrowing - revenue bonds	59,199	4,950,864	2,071,880	-
Principal payments - revenue bonds	(685,000)	(998,267)	(319,000)	-
Discount/premium	45,351	35,383	2,976	-
Principal payments - advances	-	-	-	-
Principal payments - capital leases	-	-	-	-
Interest paid	(57,727)	(568,540)	(25,248)	-
Acquisition/construction of capital assets	(1,757,324)	(3,861,284)	(2,851,039)	(217,189)
Net cash used by capital and related financing activities	<u>(2,395,051)</u>	<u>(441,844)</u>	<u>(1,120,431)</u>	<u>(217,189)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment in joint venture	-	-	-	-
Interest and dividends on investments	195,917	185,454	99,447	11,924
Net cash provided (used) by investing activities	<u>195,917</u>	<u>185,454</u>	<u>99,447</u>	<u>11,924</u>
Net increase (decrease) in cash	588,551	2,051,839	73,851	38,191
Cash, beginning	<u>7,471,974</u>	<u>7,371,218</u>	<u>4,087,198</u>	<u>502,187</u>
Cash, ending (a)	<u>\$ 8,060,525</u>	<u>\$ 9,423,057</u>	<u>\$ 4,161,049</u>	<u>\$ 540,378</u>
(a) Shown on the combining statement of net assets as:				
Cash and cash equivalents	\$ 4,347,545	\$ 2,334,936	\$ 3,132,454	\$ 346,071
Restricted cash and investments	3,712,980	7,088,121	1,028,595	194,307
	<u>\$ 8,060,525</u>	<u>\$ 9,423,057</u>	<u>\$ 4,161,049</u>	<u>\$ 540,378</u>

The accompanying notes are an integral part of these financial statements.

Continued on next page

City of Great Falls, Montana
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended June 30, 2005

	Business-Type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Golf Courses	Other Enterprise Funds	Totals	
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,047,124	\$ 3,625,247	\$ 21,369,092	\$ 7,366,456
Receipts from interfund services provided	366,650	417,202	783,852	(428,177)
Receipts from others	-	12,830	161,785	3,664,536
Receipts from other governments	-	(67,500)	116,632	-
Payments to suppliers	(228,281)	(2,158,207)	(7,331,854)	(7,502,684)
Payments to employees	(599,927)	(1,363,931)	(5,065,030)	(3,592,800)
Payments for interfund services used	(158,005)	(509,068)	(3,170,247)	(697,971)
Payments to others	-	20,119	17,572	-
Net cash provided (used) by operating activities	<u>427,561</u>	<u>(23,308)</u>	<u>6,881,802</u>	<u>(1,190,640)</u>
CASH FLOWS FROM NONCAPITAL FINANCIAL ACTIVITIES				
Transfers in	322,889	1,482,005	1,807,161	680,370
Transfers out	(9,786)	(75,349)	(130,746)	(196,199)
Net cash provided (used) by noncapital financing activities	<u>313,103</u>	<u>1,406,656</u>	<u>1,676,415</u>	<u>484,171</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES				
Proceeds of general capital asset dispositions	29,570	5,000	35,020	17,741
Principal payments received - advances	-	-	-	203,388
New borrowing - revenue bonds	-	-	7,081,943	-
Principal payments - revenue bonds	(130,000)	-	(2,132,267)	-
Discount/premium	2,908	-	86,618	-
Principal payments - advances	(318,289)	(71,233)	(389,522)	-
Principal payments - capital leases	-	(87,096)	(87,096)	-
Interest paid	(108,461)	(143,316)	(903,292)	-
Acquisition/construction of capital assets	(200,065)	(469,151)	(9,356,052)	(469,021)
Net cash used by capital and related financing activities	<u>(724,337)</u>	<u>(765,796)</u>	<u>(5,664,648)</u>	<u>(247,892)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment in joint venture	-	(450,007)	(450,007)	-
Interest and dividends on investments	(16,327)	(3,082)	473,333	94,187
Net cash provided (used) by investing activities	<u>(16,327)</u>	<u>(453,089)</u>	<u>23,326</u>	<u>94,187</u>
Net increase (decrease) in cash	-	164,463	2,916,895	(860,174)
Cash, beginning	<u>237,717</u>	<u>573,658</u>	<u>20,243,952</u>	<u>2,598,090</u>
Cash, ending (a)	<u>\$ 237,717</u>	<u>\$ 738,121</u>	<u>\$ 23,160,847</u>	<u>\$ 1,737,916</u>
(a) Shown on the combining statement of net assets as:				
Cash and cash equivalents	\$ -	\$ 732,870	\$ 10,893,876	\$ 802,176
Restricted cash and investments	237,717	5,251	12,266,971	935,740
	<u>\$ 237,717</u>	<u>\$ 738,121</u>	<u>\$ 23,160,847</u>	<u>\$ 1,737,916</u>

The accompanying notes are an integral part of these financial statements.

City of Great Falls, Montana
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended June 30, 2005

Business-Type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Storm Drain</u>	<u>Sanitation</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 1,541,104	\$ 784,259	\$ 1,178,376	\$ (199,232)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	1,625,040	1,477,084	317,776	345,611
Cash provided (used) by changes in operating assets and liabilities				
Accounts receivables	(37,368)	(34,364)	(9,116)	(12,177)
Other receivables	-	-	-	-
Due from other governments	-	49,178	134,954	-
Prepaid expense	11,641	(58,332)	22,022	-
Inventories	(23,114)	-	-	-
Accounts payable	(340,299)	93,566	(647,334)	(77,109)
Due to other city funds	-	-	-	-
Other liabilities	(2,547)	-	-	-
Compensated absences payable	19,765	3,631	-	11,361
Other nonoperating revenue	16,423	2,224	98,301	32,007
Total adjustments	<u>1,269,541</u>	<u>1,532,987</u>	<u>(83,397)</u>	<u>453,911</u>
Net cash provided (used) by operating activities	<u>\$ 2,810,645</u>	<u>\$ 2,317,246</u>	<u>\$ 1,094,979</u>	<u>\$ 254,679</u>

The accompanying notes are an integral part of these financial statements.

Continued on next page

City of Great Falls, Montana
Statement of Cash Flows (Concluded)
Proprietary Funds
Year Ended June 30, 2005

Business-Type Activities - Enterprise Funds

	<u>Golf Courses</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>Governmental Activities Internal Service Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (241,267)	\$ (1,295,728)	\$ 1,767,512	\$ (779,085)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	313,777	386,196	4,465,484	588,091
Cash provided (used) by changes in operating assets and liabilities				
Accounts receivables	(2,409)	35,177	(60,257)	(39,906)
Other receivables	-	(2,490)	(2,490)	-
Due from other governments	-	(67,500)	116,632	-
Prepaid expense	2,059	-	(22,610)	-
Inventories	-	-	(23,114)	(16,254)
Accounts payable	(9,654)	463,588	(363,024)	(560,094)
Due to other city funds	366,650	417,202	783,852	(428,177)
Other liabilities	-	20,119	17,572	-
Compensated absences payable	(1,595)	7,298	40,460	25,547
Other nonoperating revenue	-	12,830	161,785	19,238
Total adjustments	<u>668,828</u>	<u>1,272,420</u>	<u>5,114,290</u>	<u>(411,555)</u>
Net cash provided (used) by operating activities	<u>\$ 427,561</u>	<u>\$ (23,308)</u>	<u>\$ 6,881,802</u>	<u>\$ (1,190,640)</u>

The accompanying notes are an integral part of these financial statements.

City of Great Falls, Montana
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2005

	Private Purpose Trust Funds	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 29,616	\$ 451,354
Accounts Receivable	-	4
Accrued Interest	145	-
	<u> </u>	<u> </u>
Total assets	<u>29,761</u>	<u>\$ 451,358</u>
 LIABILITIES		
Accounts payable	-	\$ 431,743
Other liabilities	-	19,615
	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>\$ 451,358</u>
 NET ASSETS		
Held in trust for private purpose	<u>\$ 29,761</u>	

The accompanying notes are an integral part of these financial statements.

City of Great Falls, Montana
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
June 30, 2005

	Private Purpose Trust Funds
ADDITIONS	
Private contributions	\$ 15,040
Investment Income	<u>542</u>
Total additions	15,582
DEDUCTIONS	<u>-</u>
Change in net assets	15,582
Net assets, beginning	<u>14,179</u>
Net assets, ending	<u><u>\$ 29,761</u></u>

The accompanying notes are an integral part of these financial statements.